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# Planning Grant

## Plotting a Course for Success

# Planning

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- ❑ Focus on Planning (Not Implementation)
- ❑ Establish/Refine Office Procedures/Policies
- ❑ Establish Financial Accounting
- ❑ Begin & Complete Evaluation of Curriculum & Assessment
- ❑ Refine Application(s) (CSP Grant & Phase I/II Charter Apps)
- ❑ Conduct Needs Analysis & Establish Planning Processes to Satisfy Needs
- ❑ Acquire Subject Matter Experts for Development Team (Facility/Financial/Legal/Education/Community Relations)
- ❑ Acquire Office Equipment (Technology)
- ❑ Evaluate & Select Student Information System
- ❑ Visit High Performing Schools (Models and/or Partners)
- ❑ Purchase Office supplies
- ❑ Plan and Conduct Board Training

# Definitions

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- ❑ The Development Team includes everybody involved in the project.
- ❑ The Non-Profit Board is the Board of Directors of the organization that received the subgrant award.
- ❑ The Non-Profit Board members are volunteers and are not paid for their services.
- ❑ Partners are entities that intend to have an enduring, non-paid relationship from the grant award through opening and operation of the school.
- ❑ Vendors are individuals or corporations hired or selected by the Non-Profit Board to provide specific goods or services for a specific fee.
- ❑ Vendors with long-term relationships are contracted through a written agreement, approved and signed by the appropriate Non-Profit Board representative as designated by Board Policy.
- ❑ Employees are paid staff of the Non-Profit Board.
- ❑ Volunteers are not paid but may be reimbursed for expenses, based upon approved Non-Profit Board policies and procedures.

# Definitions (Con't)

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- The Development Team also includes potential PSA Board Members
  - Potential PSA Board Members may be current Non-Profit Board members.
  - Potential PSA Board Members may be interested community members not currently involved in the grant.
  - Potential PSA Board Members should not be current vendors or individuals associated with current vendors (i.e., related-party transactions).
- NOTE: The 501(c)3 label is a federal, Internal Revenue Service designation and has NOTHING to do with the CSP grant. The Non-Profit CSP grant applicant must be a Michigan Non-Profit organization recognized by the Michigan Department of Licensing and Regulatory Affairs, formerly known as the Department of Energy, Labor, and Economic Growth. The Non-Profit status requirement is derived from EDGAR.

# Pre and Post Charter Relationships

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## □ Pre-Charter

- Non-Profit Board  
(Subgrantee-Planning)
- Non-Profit Employees
- Partners
- Vendors
  - Vendor Employees
- MDE PSA Office

## □ Post-Charter

- Academy Board  
(Subgrantee-Implement)
- Academy Employees
- Partners
- Vendors
  - Vendor Employees
- Authorizer
- MDE PSA Office

# Management Plan

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- ❑ Start by listing everything you want to do with the first item on the top being the first action or activity you intend to participate in.
- ❑ Put them in logical order recognizing that some tasks must be accomplished on an ongoing basis. That means place those tasks to be accomplished first, then second, then third, etc.
- ❑ Assign a cost figure to each task recognizing that the total planning grant is \$110,000. The Development team must then decide which tasks it will accomplish itself and which ones it will have to pay for.
- ❑ Start at the top of your list and add the cost of each item until you reach \$35,000. If any of these tasks are recurring, split those tasks into two. This first \$35,000 will be stage I. Number the tasks 1-1, 1-2, 1-3, etc.
- ❑ The remaining tasks will be called stage II. Number the tasks 2-1, 2-2, 2-3, etc.
- ❑ Then identify the month that each task will be completed. If the task is recurring it is acceptable to identify it as such. Place all tasks on the management plan template with the task number identification clearly identified. (e.g., 1-1 Hire a consultant to update the planning grant application to level 4 at a rate of \$50/hour for approximately 20 hours).
- ❑ Once all tasks are included in the management plan, it is now time to move to the budget.

# Budget

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- The completion of the budget will require some level of knowledge regarding school accounting function codes. Since accountants view things differently, there is no standard way of assigning function codes. However, here are some simple rules:
  - All Curriculum and Assessment Work (111-Elementary, 112-Middle School, & 113-High School)
  - All Legal fees (231)
  - All Professional Development for the Development team, Board, Administrators (231)
  - All Office Equipment and Supplies (232)
  - Grant Management (233)
  - All Accounting (252)
  - Technology Training & Purchases (283)
  - Student Information Systems (284)
  - Community Relations & Awareness (331)
  - All Facility-Related Planning (451)

# Budget

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- The second most important component of the budget is the actual placement of the total costs in the appropriate columns. The columns are identified as:
  - FTE/Hours
  - Salaries (1000)
  - Benefits (2000)
  - Purchased Services (3000, 4000)
  - Supplies and Materials (5000)
  - Capital Outlay (6000)
  - Other Expenditures (7000, 8000)
- Examples and explanations can be found on the following pages.



# Budget

Function Codes	Function Titles	Salaries 1000	Benefits 2000	Purchased Services 3000, 4000	Supplies and Materials 5000	Capital Outlay 6000	Other Expenses 7000, 8000	TOTAL
110	Basic Programs	\$43,000	\$11,000					\$54,000
120	Added Needs							
210	Support Services - Pupil							
220	Support Services - Instructional Staff							
230	Support Services - General Administration							
240	Support Services - School Administration							
250	Support Services - Business							
280	Support Services - Central			\$456				\$456
	SUBTOTAL	\$43,000	\$11,000	\$456				\$54,456
410	Payments to Other Public Schools Within the State of Michigan							
450	Facilities Acquisition							
	TOTAL	\$43,000	\$11,000	\$456			\$0	\$54,456

# Budget

Funct. Code	Description	FTE / Hours (h)	Salary 1000	Benef its 2000	Purchased Services 3000, 4000	Supplies and Material s 5000	Capital Outlay 6000	Other Expendit ures 7000, 8000	Total
112	<u>1-1 Research curriculum offerings by reviewing and analyzing gaps. Includes purchase of curriculum software and review materials</u>				\$1,100				\$1,100
112	<u>1-2 Curriculum alignment review is conducted with gaps in selected curriculum materials identified and potential courses of action are planned. Includes hiring consultant(s) at an estimated \$50/hour for 162 hours. Some of this work will be done by Essayons @ \$50/hr. Other work will be done by yet to be identified consultants at the most conservative rate possible.</u>				\$8,177				\$8,177
112	<u>2-2 Contine review of chosen curriculum against GLCE and Michigan Curriculum Frameworks for all subjects. Estimated consultant cost of 80 hours at \$80/hour. Some of this work will be accomplished by Essayons @ \$50/hr. Other consultants are being identified at rates below \$80/hr.</u>				\$3,000				\$3,000

# FTE/Hours

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- FTE =Full Time Equivalent is defined as a whole or part of a whole full time person or persons. A full time person is defined as somebody that will work 2080 hours in one work year. An employee working 520 hours can be referred to as a 0.25 FTE. This column is populated when an employee or employees is/are being funded from this grant. It is not populated for purchased services (contractors).

# Salaries 1000

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- ❑ The column is populated based on the total cost of salary for an employee or group of employees. If salaries are being charged against the grant, then an annotation in the FTE/Hours and Benefits columns should also be made. It is acceptable to have employee benefits charged against other accounts or grants.
- ❑ Salaries and Benefits must be for planning grant activities only. Time sheets will be required.

# Benefits 2000

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- ❑ Benefits are defined as taxes, retirement, insurance, and fees related to employment. If an employee is being paid a salary from this grant, benefits must be paid and accounted for. However, those benefits don't necessarily have to be charged against this grant. Additionally, if a full-time employee works half-time on this grant and their salary is charged against this grant, then it is reasonable to prorate benefits accordingly.

# Purchased Services 3000, 4000

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- ❑ Purchased services includes fees for professional services including legal, accounting, business, real estate, curriculum, grant management, technology, library, professional development, training, consulting and student information systems.
- ❑ Planning grant funds can not be used to support leases of any kind.
- ❑ Purchased services contracts must be fee for service. Flat rate contracts are not allowable.
- ❑ \$10,000 of this grant must be used for technical assistance. The TA provider must be identified prior to the release of Stage I funds.

# Supplies and Materials 5000

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- This is where the purchase of things or stuff is normally documented. Items normally documented here include office equipment and supplies, technology, marketing supplies & materials, reference materials, and software (including licenses). Some of these items are considered durable goods and must be properly documented as property for audit purposes.
- The focus of the planning grant should be PLANNING, so expenses related to the purchase of items for classrooms should be limited to those supplies and materials which are absolutely necessary for teachers/staff to participate in the planning process.

# Capital Outlay 6000

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- Use of this column should be limited as the planning grant specifically identifies most traditional capital outlay expenses as unallowable.



# Other Expenditures 7000, 8000

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- ❑ This column is used primarily by subgrantees to document travel and mileage expenses. Other miscellaneous expenses can also be charged here including fees for the rental of meeting rooms, parking fees, and other expenses that don't appear to fit within the other areas.
- ❑ Board Policies and Procedures must be developed, approved and in effect before reimbursement for travel or expenses can be issued. The IRS establishes mileage reimbursement rates for business and volunteers. A sample set of policies will be provided.

# Budget Detail

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- All tasks must be sufficiently documented to include the following:
  - Please identify the fee rate or schedule
  - Who is providing the service
  - Where will the service be provided
  - What is the justification for the expenditure
  - How will the purchase be made
  - How was the specific vendor selected
  - What process was used to identify participants
  - Is the service provider an employee, contractor, and/or development team member
  - Is there a legacy cost
  - Is this a lease, rental or purchase
  - How many hours will it take to complete the task.
  - Please be as specific as possible

# Tips

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- ❑ Review previous MDE presentations to ensure all tasks can be funded with grant funds
- ❑ Ensure costs are *necessary and reasonable*—consultant costs exceeding \$80/hour will require additional justification.
- ❑ Ensure vendors are selected based on the best interest of the school and contracting is completed in accordance with Board Policy—**no conflicts of interest**
- ❑ Ensure priority planning items are funded first
- ❑ Plan to execute the management plan, then the budget.
- ❑ Make sure development team has capacity to do what can't be funded.
- ❑ Ensure contracts with “Poison Pills” are AVOIDED.
- ❑ Make sure “Grant Writer” has a proven success record with this grant.
- ❑ Make sure your vision for the future is shared by development team members to ensure ulterior motives are exposed early and options for change can be utilized without penalty to the team.
- ❑ Remember-All contracts should be limited in time and scope.
- ❑ We encourage you to use professional advocates (attorneys and accountants) to review all contracts.

# Tips

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- ❑ A review of past grants indicates that a normal grant manager receives about 5% of the planning grant in compensation.
- ❑ A review of past grants indicates that a normal grant project manager receives between 10% and 15% of the planning grant in compensation.
- ❑ Board's must be cognizant of the fact that specific contractors should be hired only when they provide the best value for the work to be performed. Vendor contracts should be between the Board and the service provider.
- ❑ Board's should not use grant funds to purchase equipment, supplies or materials for vendors so that they can complete their work. If you hired a plumber you wouldn't expect to have to buy him/her wrenches in order for him/her to complete their work.
- ❑ Board's should not use grant funds to purchase training materials for vendors or to pay for his/her attendance at conferences or workshops. If you hired a plumber you wouldn't expect to have to send him/her to training in order for him/her to complete their work.
- ❑ MDE has the authority to question any purchase or expenditure of grant funds. Board's must be able to justify each and every expenditure of grant funds as **reasonable and necessary**.

# Tips

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- **Board's planning to use a management company should:**
  - Ensure that they are not paying twice for the same activity. For example, it would not make sense for a Board to purchase an accounting software for their school when they have contracted with a vendor to provide that same service.
  - Ensure that the management company is implementing Board-approved policies.
  - Ensure that the management company implements the Board-approved budget and management plans.
  - Ensure that a management company that uses the term “full-service” does not attempt to charge back expenses for services that should be included in the “full-service” contract.
- **MDE is NOT a party to contracts between service providers and Boards, and does not have the authority to pre-approve specific contract terms, conditions, or rates on behalf of any subgrantee or vendor.**
- **Contracts of \$10,000 or greater must be presented to the Board for approval.**

# Grant Narrative (Hints)

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- ❑ When composing the narrative, restate the questions in a way that a reviewer can easily recognize them. The most common way is to highlight or bold the questions.
- ❑ **ANSWER THE QUESTIONS WHERE THE QUESTIONS ARE ASKED (or refer to other answers/locations if there are redundancies).**
- ❑ Be as specific and detailed as possible. The reviewers won't know what you are thinking or what you have accomplished thus far unless you tell them. Avoid using superlative adjectives unless clear evidence is provided.
- ❑ Ensure that the application includes the name or names of the grant manager(s) and their experience in doing so.
- ❑ Pictures, charts and graphs are nice but they must be accompanied by a narrative that analyzes or interprets them in clear language.
- ❑ If you wish to receive full credit for your narrative, please provide detailed explanations about what you plan to do. Stating that you intend to use the NHA model, or the Cornerstone model, or the Green Dot model is not sufficient.

# Grant Narrative (Hints)-Con't

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- ❑ Don't exaggerate or name drop.
- ❑ Provide evidence of significant activities or performances whenever possible.
- ❑ If you wish to list the names of authors, please describe what specific aspect of the authors' work you are referring to.
- ❑ Don't assume that all educators can help you with the development of your charter school, or that former leaders of traditional public schools are capable of leading your charter school.
- ❑ Make sure the narrative has **page numbers**, including any addendums, annexes, or ancillary materials.
- ❑ Once the narrative is close to completion compare it to the rubric. A composite reviewer score on the rubric of more than **75** almost ensures the grant will be awarded. Have somebody you trust compare it to the rubric.
- ❑ If a high performing school is selected for modeling, the applicant must explain what aspect or aspects of the high performing school will be modeled.

# Grant Narrative (Hints)-Con't

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- ❑ If the applicant will be seeking to become a new School of Excellence, the application narrative should state so.
- ❑ Ensure adherence to all applicable laws, including EDGAR
- ❑ Ensure compliance with the Charter School Grant Program requirements
- ❑ Eliminate **“Real or Apparent Conflicts of Interest”**
- ❑ Make sure the members of the development team are described along with their specific roles. Make sure the non-profit board members and officers are identified.
- ❑ If the school you are planning requires a waiver or exception to the law, please make sure you already have the necessary approval(s). We can not provide grant funds to entities attempting to open schools that are illegal.



# Reminders

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- ❑ The Non-Profit Board is the subgrantee and that Board is therefore responsible for the disposition of all funds, and is accountable for all materials, supplies and equipment acquired with grant funds.
- ❑ EDGAR 75.701 requires MDE to “*ensure that the subgrantee DIRECTLY administers or supervises the administration of the project. Because only non-profits are eligible for subgrants, particular care should be taken with subgrantees who contract with a for-profit third party for the operation and administration of the school. In these cases the subgrantee’s Board of Directors should be independent of the contractor, and the contract should be arms-length and able to be terminated with minimal penalties to the charter school.*”
- ❑ Level -5 “Grant Administrators” must be non-profit Board members or designated employees of the non-profit Board.
- ❑ MDE will freeze funds if it is determined that a non-profit subgrantee has failed to manage and/or directly supervise the administration of the project.
- ❑ **Failure to follow state and federal law may result in the freezing or withdrawal of funds, especially where a subgrantee fails to demonstrate an awareness of its responsibilities with respect to the administration or oversight of the grant.**

# Reminders

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- ❑ Successful Applicants will be Required to Provide Monthly Status Reports, Regardless of Activity Level.
- ❑ Successful Applicants Must Establish a Financial Management System that Collects and Tracks All Invoices, Purchase Orders, Sales Receipts, Requests for Reimbursement, Contracts, and **Cancelled Checks**.
- ❑ All contracts must be signed by the contractor and a designated representative of the non-profit Board. They should include:
  - Contract Start and End Dates
  - Pay Rates
  - Total Amount of the Contract
  - Scope of Work, Including Location & Hours
  - Specific Deliverables & Deadlines (if any)
  - Payment Instructions
  - Termination Details
- ❑ Work performed before or after the project period is **NOT** reimbursable with CSP grant funds.

# Reminders

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- ❑ The next round is scheduled is open now and will close on January 11, 2012. A Grant Orientation similar to this presentation will be conducted at the Wayne RESA on March 21, 2012.
- ❑ Project start date for this next round is scheduled for February 23, 2012. Management plans should be developed accordingly.
- ❑ This is the second round for 2011-2012. A new application for 2012-2013 will be posted in early August. It is our intent to keep this application window open for three rounds like we did this year , but funding may require us to limit the number of rounds each year if we issue more than 30 subgrants by the end of round two.
- ❑ Make sure you read the application and follow the directions. Failure to follow directions is the number one reason grants fail to meet the minimum eligibility requirements to be reviewed. **This is especially true with regard to providing potential authorizers with applications and notifying them of your intent to apply for the CSP Grant. This a legal requirement and can not be waived.**
- ❑ Do NOT spend or otherwise obligate any grant funds until you receive an award letter from the Superintendent of Public Instruction, Mr. Mike Flanagan.
- ❑ We will distribute the award letters via email and will schedule a mandatory awardee meeting for late February 2012.

# Things to Avoid

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- ❑ Activities that are illegal
- ❑ Activities that are or appear to be self-enriching
- ❑ Activities that could be seen as supplanting
- ❑ Relationships that are restrictive and unnecessarily burdensome
- ❑ Contracts that extend past the term of the grant
- ❑ Partnerships or vendor relationships with individuals or entities having dubious track records or reputations
- ❑ Failing to disclose or intentionally misrepresenting the status of relationships between vendors and non-profit board members

# Points of Contact

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